

December 14, 2020



Capstone Turbine (NASDAQ:CPST) Secures Another Long-Term C1000 Rental Contract With a Large Oil & Gas Customer in West Texas

VAN NUYS, CA / ACCESSWIRE / December 14, 2020 /Capstone Turbine Corporation (www.capstoneturbine.com) (NASDAQ:CPST), the world's leading clean technology manufacturer of microturbine energy systems, announced today that it has received a follow-on order from one of the world's largest oil and gas companies for a C1000 Signature Series microturbine for a remote oil field in West Texas. The long-term rental order, secured by Lone Star Power Solutions (www.lonestarpowersolutions.com), is expected to be delivered and commissioned in January 2021.

This order supports the future expansion of Capstone's long-term rental fleet from today's 8.6 megawatts (MWs) to its target of 10 MWs by March 31, 2021. Management's goal is to reach a rental fleet size of 21.1 MWs by March 31, 2022, to provide a sustainable high-margin source of revenue. Capstone continues to see an increase in global demand for long-term rental systems, a trend that management expects will accelerate as the world rebounds from the COVID-19 pandemic.

"Over the last 20 months, we have focused on building an Energy as a Service (EaaS) business around our core patented microturbine technology. We expect that, as we continue to execute on this EaaS strategy, it should lead to more predictable and stable quarterly cash flow," said Darren Jamison, Capstone's President and Chief Executive Officer.

"In fact, last quarter, Capstone generated \$1.9 million in cash from operating activities despite COVID-19, which I think demonstrates the important and positive impact EaaS has on cash flow during difficult economic conditions. Increasing our long-term rental fleet will help us continue to execute our EaaS strategy," added Mr. Jamison.

Capstone Turbine C1000 Signature Series Power Rental Unit

The region of West Texas is widely considered to hold one of the most abundant oil and natural gas reserves in the United States. According to the EIA, in 2019, the state accounted for 41% of the nation's crude oil production and 25% of its marketed natural gas production. The state also leads the nation in natural gas production, accounting for one-fourth of U.S. gross withdrawals.

"Our customer needed a reliable solution to power their production operations," said Doug Demaret, President of Lone Star Power Solutions. "Capstone Turbine is the only on-site

power technology that can follow customer load demand from zero to full load without being dependent on the grid or large load banks to send excess power, which results in the most efficient on-site power technology available today. Coupled with the added benefit of Capstone's extremely low emissions, the customer found our value proposition to be superior to others under consideration," added Mr. Demaret.

The oil and gas company sought a flexible and scalable energy solution that could be quickly and easily deployed and seamlessly adapt to changes in customer's site loads. The project demonstrates the confidence that oil and gas customers continue to have in the reliability and long-term service intervals of Capstone Turbine products.

Fueled by pipeline gas, the C1000S rental system will produce electricity to power on-site equipment. Capstone microturbines align with the needs of oil and gas producers as they can be used in all phases of production operations, including upstream, midstream, and downstream in both onshore and offshore applications.

About Capstone Turbine Corporation

Capstone Turbine Corporation (www.capstoneturbine.com) (NASDAQ: CPST) is the world's leading producer of highly efficient, low-emission, resilient microturbine energy systems. Capstone microturbines serve multiple vertical markets worldwide, including natural resources, energy efficiency, renewable energy, critical power supply, transportation and microgrids. Capstone offers a comprehensive product lineup via our direct sales team, as well as our global distribution network. Capstone provides scalable solutions from 30 kW to 10 MWs that operate on a variety of fuels and are the ideal solution for today's multi-technology distributed power generation projects.

For customers with limited capital or short-term needs, Capstone offers rental systems; for more information, contact: rentals@capstoneturbine.com. To date, Capstone has shipped nearly 10,000 units to 83 countries and in FY20, saved customers an estimated \$219 million in annual energy costs and 368,000 tons of carbon.

For more information about the company, please visit www.capstoneturbine.com. Follow Capstone Turbine on [Twitter](#), [LinkedIn](#), [Instagram](#), [Facebook](#) and [YouTube](#).

Cautionary Note Regarding Forward-Looking Statements

This release contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, including statements regarding expectations, beliefs, plans, intentions, and strategies of the Company. The Company has tried to identify these forward-looking statements by using words such as "expect," "anticipate," "believe," "could," "should," "estimate," "intend," "may," "will," "plan," "goal" and similar terms and phrases, but such words, terms and phrases are not the exclusive means of identifying such statements. Actual results, performance and achievements could differ materially from those expressed in, or implied by, these forward-looking statements due to a variety of risks, uncertainties and other factors, including, but not limited to, the following: the ongoing effects of the COVID-19 pandemic; the availability of credit and compliance with the agreements governing the Company's indebtedness; the Company's ability to develop new products and enhance existing products; intense competition; financial performance of the oil and natural gas industry and other general business, industry and economic conditions; the Company's

ability to adequately protect its intellectual property rights; and the impact of pending or threatened litigation. For a detailed discussion of factors that could affect the Company's future operating results, please see the Company's filings with the Securities and Exchange Commission, including the disclosures under "Risk Factors" in those filings. Except as expressly required by the federal securities laws, the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, changed circumstances or future events or for any other reason.

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